

Infrastructure Projects

Overview

The Bulgarian Government's goals to clean up the country's environment; modernize its infrastructure and further develop its tourist base represent an extraordinary business opportunity for U.S. companies. The government is aiming to increase the off-season tourism, attracting higher spending travelers by further developing its convention and festival markets. By enhancing R&D and innovation, Bulgaria undertakes initiatives aiming at generation of economic growth and improvement of its global competitiveness. Investing more and investing more effectively in research and development (R&D) is critical to strengthening Bulgaria's economy and unlocking smart growth.

After EU accession in January 2007, Bulgaria directed efforts, resources and initiatives at modernizing its outdated infrastructure as a strategy to boost economic growth. Investments are primarily focused on improving the road infrastructure and new metro stations. Other projects, including railroad infrastructure upgrades, tourism infrastructure, telecommunications and other infrastructure related projects are either slowly progressing or have been postponed due to a lack of adequate financing.

The Bulgarian Government will need more than nine billion euro to fund the infrastructure projects that have made its priority list for the 2014/2020 planning period. At the same time, only half of that amount can be secured through European Union funding. This means that the list is likely to be reduced. It could also mean that some of the projects will be built with loans or through public-private partnerships.

Sub-Sector Best Prospects

The former Government approved allocation of 150 Million BGN (USD 100 Million) to ongoing infrastructure projects. The funds will be used to complete projects that were designated by the Cabinet as having top national priority. When granted, such status applies only for the financial year already underway. The money will be spent as national co-financing of European Union funds for the construction of the Shoumen-Belokopitovo stretch of Hemus motorway, the widening of the Rousse-Shoumen road, as well as repairs to bridges on the Hemus and Trakiya motorways.

Priority railway projects after 2013 include the Dragoman-Sofia-Septemvri, Vidin-Sofia and Sofia-Pernik-Radomir lines, as well as the completion of the Plovdiv-Bourgas line. Another project deemed important is the improvement of shipping on the Danube, which is estimated to cost 317 million EUR.

Bulgaria has a unique opportunity to bring the economy onto a smart and sustainable growth path, where science, technology and innovation can play a central role, while making the best use of EU funding. The best way to promote innovation and growth is to foster an active partnership between the public sector and the private sector, allowing their strengths to complement each other.

Opportunities

U.S. companies that specialize in road network upgrading; park development; golf course development; management and development of logistic, office and multi-use centers (arenas), shopping malls, industrial complexes; and airport development will find many opportunities. Infrastructure investors and firms providing public-private partnership solutions in the area of infrastructure development, reinforcement of bridges and other concrete structures, water and wastewater treatment, earthmoving, road building, installation of underground utilities, and construction material suppliers may have excellent opportunities to participate in the upgrade of major transport and tourism-related infrastructure facilities.

Web Resources

Ministry of Transport and Communications --www.mtc.government.bg

Ministry of Regional Development, Directorate for National Construction Supervision
www.mrrb.government.bg

Chamber of the Architects in Bulgaria - www.geocities.com/arch_art/kabinx.html

Bulgarian Construction